EXHIBIT NO.	
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MEMORANDUM

TO:

THE HONORABLE MAYOR AND

MEMBERS OF CITY COUNCIL

FROM:

IGNACIO B. PESSOA CITY ATTORNEY

KAREN S. SNOW

ASSISTANT CITY ATTORNEY

DATE:

APRIL 29, 2002

SUBJECT:

ORDINANCE EXTENDING FRANCHISE OF VERIZON VIRGINIA, INC.

(FORMERLY BELL ATLANTIC-VIRGINIA, INCORPORATED)

<u>Issue</u>: Consideration of a proposed ordinance to extend the franchise of Verizon Virginia, Inc., for one year, until April 30, 2003.

Recommendation: That city council pass the proposed ordinance on first reading, and set the ordinance for public hearing, second reading and final passage on May 18, 2002.

Discussion: The city's franchise to Verizon Virginia, Inc., ("Verizon"), the successor to Bell Atlantic-Virginia, Incorporated, authorizes the company "to use the [city's] streets, alleys, and other public places" and "to acquire, erect, maintain and use posts, poles, wires, manholes, ... and all other necessary apparatus in, under, over and along the streets, alleys and public places of the city for the purpose of providing a telephone and telegraph service and system" within the city. The franchise was granted in 1977 for a 20-year period ending on April 30, 1997. This is the fifth extension of the franchise agreement. As explained below, this extension is at the request of both city staff and Verizon.

As you are aware, for the past two years, the press of other business on Verizon's part has prevented Verizon from meeting with city staff to negotiate a new franchise agreement. Last year, Verizon requested that franchise negotiations with the city resume in the summer 2001, because of the internal changes within the company which were a result of the August 2000 merger between Bell Atlantic and GTE. Verizon's general counsel has advised city staff that he and his staff have been fully occupied by ongoing franchise negotiations with other local governments. However, after five years of protracted negotiations, Verizon and the City of Richmond have agreed to a new franchise, thereby allowing Verizon and its counsel to focus on negotiating a new franchise agreement with the city.

It is our intention to begin meeting with Verizon in June and to have a new franchise ready for presentation to council by February of next year. Therefore, in order to keep the current franchise in effect during this period of negotiation, the proposed ordinance extends the term of the franchise until April 30, 2003.

If you have any questions about this matter, please call us.

Attachment

cc: Philip Sunderland City Manager

> Michele Evans Assistant City Manager

Rose Boyd Director, Citizen Assistance

5-18-02

5-14-02

Introduction and first reading:

Public hearing:

Second reading and enactment:

05/14/02 05/18/02

05/18/02

INFORMATION ON PROPOSED ORDINANCE

<u>Title</u>

AN ORDINANCE to amend and reordain Ordinance No. 2165, as amended, to grant a one-year extension of franchise rights to Verizon Virginia, Inc., formerly known as Bell Atlantic-Virginia, Incorporated, formerly known as the Chesapeake and Potomac Telephone Company of Virginia.

Summary

The proposed ordinance extends the franchise rights which permit the equipment and facilities of Verizon Virginia, Inc. to be located within the public rights-of-way in the City of Alexandria, to April 30, 2003.

Sponsor

Office of Citizen Assistance

Staff

Rose Williams Boyd, Director of the Office of Citizen Assistance Karen S. Snow, Assistant City Attorney

Authority

§ 15.2-2100, Code of Virginia (1950), as amended

Estimated Costs of Implementation

None

Attachments in Addition to Proposed Ordinance and its Attachments (if any)

None

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5-18.02 25/ 5-14.02

ORDINANCE NO.

AN ORDINANCE to amend and reordain Ordinance No. 2165, as amended, to grant a one-year extension of franchise rights to Verizon Virginia, Inc., formerly known as Bell Atlantic-Virginia, Incorporated, formerly known as the Chesapeake and Potomac Telephone Company of Virginia.

WHEREAS, on March 22, 1977, the city council enacted Ordinance No. 2165 which granted a franchise to the Chesapeake and Potomac Telephone Company of Virginia and its successors and assigns for the purpose of providing a telephone and telegraph service and system within the city; and

WHEREAS, Section 17 of Ordinance No. 2165 provided that the franchise rights and privileges provided by the ordinance were to continue for a term of 20 years, from May 1, 1977 until May 1, 1997; and

WHEREAS, in order to await the resolution of issues arising from the enactment of certain state and federal legislation affecting the rights of municipalities and telecommunications providers, the city council, on October 25, 1997, enacted Ordinance No. 3961, which extended the franchise an additional two-year period until April 30, 1999, and on April 17, 1999, enacted Ordinance No. 4039, which extended the franchise until April 30, 2000 and again, on April 15, 2000, enacted Ordinance No. 4126, which extended the franchise until April 30, 2001; and on May 12, 2001, enacted Ordinance No. 4202, which extended the franchise until April 30, 2002; and

WHEREAS, the negotiation of a new franchise has been delayed due to Verizon's involvement with other ongoing business; and

WHEREAS, the city council has determined that it is in the public interest to extend for an additional one-year period the franchise granted by Ordinance No. 2165 to Verizon Virginia, Inc., as the successor to Bell Atlantic-Virginia, Incorporated, which was the successor to the Chesapeake and Potomac Telephone Company of Virginia; now, therefore

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That, pursuant to Article VII, Section 9 of the Virginia Constitution and Article 1 of Chapter 21 of Title 15.2 of the Code of Virginia, Section 17 of Ordinance No. 2165, which defines the term of the franchise granted to the Chesapeake and Potomac Telephone Company of Virginia and its successors and assigns, be, and the same hereby is, amended to set the term at 26 years, such that the franchise shall expire on April 30, 2003, unless sooner voluntarily surrendered by the franchisee with the consent of the city council, or unless sooner forfeited as provided by law.

Section 2. That Ordinance No. 2165, as amended by Section 1 of this ordinance, be, and the same hereby is, reordained.

Section 3. That this ordinance shall be effective upon the date and at the time of its final passage, and shall operate retroactively to extend the term of the franchise heretofore granted until April 30, 2003.

KERRY J. DONLEY Mayor

Introduction:

5/14/02

First Reading:

5/14/02

Publication:

5/14/02

Public Hearing:

5/18/01

Second Reading:

5/18/02

Final Passage:

ORDINANCE NO. 4249

AN ORDINANCE to amend and reordain Ordinance No. 2165, as amended, to grant a one-year extension of franchise rights to Verizon Virginia, Inc., formerly known as Bell Atlantic-Virginia, Incorporated, formerly known as the Chesapeake and Potomac Telephone Company of Virginia.

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WHEREAS, in order to await the resolution of issues arising from the enactment of certain state and federal legislation affecting the rights of municipalities and telecommunications providers, the city council, on October 25, 1997, enacted Ordinance No. 3961, which extended the franchise an additional two-year period until April 30, 1999, and on April 17, 1999, enacted Ordinance No. 4039, which extended the franchise until April 30, 2000 and again, on April 15, 2000, enacted Ordinance No. 4126, which extended the franchise until April 30, 2001; and on May 12, 2001, enacted Ordinance No. 4202, which extended the franchise until April 30, 2002; and

WHEREAS, the negotiation of a new franchise has been delayed due to Verizon's involvement with other ongoing business; and

WHEREAS, the city council has determined that it is in the public interest to extend for an additional one-year period the franchise granted by Ordinance No. 2165 to Verizon Virginia, Inc., as the successor to Bell Atlantic-Virginia, Incorporated, which was the successor to the Chesapeake and Potomac Telephone Company of Virginia; now, therefore

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Section 2. That Ordinance No. 2165, as amended by Section 1 of this ordinance, be, and the same hereby is, reordained.

Section 3. That this ordinance shall be effective upon the date and at the time of its final passage, and shall operate retroactively to extend the term of the franchise heretofore granted until April 30, 2003.

KERRY J. DONLEY Mayor

Final Passage: May 18, 2002